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For Immediate Release
July 1, 2004

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Sen. George's bills protecting consumers passed by Senate

LANSING – Legislation to provide consumer protection from aggressive marketing by sweepstakes firms and unscrupulous organizations posing as charitable organizations passed the Senate this week, said Sen. Tom George, R-Texas Township.

Senate Bill 1114, sponsored by George, would create the Prize and Sweepstakes Act. It would establish prohibited acts with regard to sweepstakes and sales presentations that offer money or gifts for attending. The bill also establishes civil penalties between \$100 and \$5,000 per violation and establishes a misdemeanor of up to one year in jail and a \$10,000 fine for each intentional violation. The legislation would not apply to horse racing, lottery, bingo or other charitable solicitations.

“Michigan needs to have a law on the books to address marketing scams that prey on senior citizens,” George said. “Too many senior citizens have been duped into spending their savings on magazines and trinkets in order to win these so-called sweepstakes. We need this bill to help protect residents from such marketing schemes.”

SB 1114 would specifically require sweepstakes solicitors to: provide official rules to each individual solicited; not require payment or any other consideration to be eligible for a prize; not represent that a person is a winner or has already won unless they have; provide a clear and conspicuous statement that no purchase is necessary to enter; and not represent that an entry accompanied by an order is eligible for more prizes.

Another consumer protection bill sponsored by George would amend the Charitable Organizations and Solicitations Act to replace the current licensing system with a system of registration and reporting. SB 1115 would create new fees and tiered penalties for violations.

“Michigan’s current law governing charitable organizations has not kept up with industry changes,” George said. “Updates are needed to give consumers accurate information about genuine charitable organizations, and ensure their donations are actually used to help make a difference.”

SB 1115 is intended to provide consumers with information to assist in informed giving. Hospitals and veteran’s organizations would retain their current exemptions from this law. Organizations with less than \$25,000 in annual contributions also are exempt from the new provisions.

SB 1114 and SB 1115 will now be considered by the House of Representatives.

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Editor’s note: Audio comments from Sen. George are available on the Michigan Senate Republican Majority Multi-Media Link, located at:
<http://www.senate.michigan.gov/gop/audiowire/george/index.htm>